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SUBJECT: RUSSIA'S DEMOGRAPHIC UPTURN MAY BE SHORT-LIVED

REFS: A. 07 Moscow 1834
[1](#)B. 07 Moscow 1811
[1](#)C. 07 Moscow 5522
[1](#)D. 07 Moscow 1434
[1](#)E. 07 Moscow 4043
[1](#)F. 07 Moscow 5221
[1](#)G. 07 Moscow 5630

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ACCORDINGLY.

[1](#)1. (SBU) SUMMARY: Russia's demographic results continued to improve in 2007. Overall births increased by 8.5 percent, deaths declined by four percent, and a surge in migration helped to offset much of the natural population decline. The overall population stood at 142 million as of January 1, 2008, representing a decline of 0.14 percent from the previous year. Leading politicians attribute Russia's improving trends in fertility and mortality to the success of the National Priority Health Project and the "mother's capital" financial incentive for families who choose to have a second child (Refs A, B, C). Demographic experts believe that the health project has only had a slight impact on reducing mortality, and the government's pro-birth policies are unlikely to have any long-term effect on Russia's low fertility rates. While Russia could continue to see improvements in mortality in the coming years, observers view the upswing in births as only temporary, and by 2012, overall births will begin to sharply decline. END SUMMARY.

Demographics Picture Brightens

[1](#)2. (U) The Russian population stood at 142 million as of January 1, 2008, according to preliminary estimates released by the Federal Statistics Service (Rosstat). The net population decline (births minus deaths plus immigration) was 0.14 percent, significantly lower than the 0.42 percent net population loss recorded in 2006. Increases in births, a decline in deaths, and a surge in immigration all contributed to the improved demographic picture.

[1](#)3. (U) Births increased significantly by 8.3 percent in 2007 compared to the previous year, a marked improvement over 2006, when births increased by a modest 1.3 percent over 2005. Russia recorded 1,602,000 births in 2007, the highest absolute number of births registered in Russia since 1991. Significantly, for the first time in decades, there were fewer abortions than births during 2007. According to preliminary data from the Ministry of Health and Social

Development, there were 106 births for every 100 abortions in 2007. (There were 100 births for every 107 abortions in 2006, and 100 births for every 121 abortions in 2005.)

¶4. (U) Overall mortality dropped by four per cent. A total of 2,080,100 people died in 2007, 86,600 fewer than in 2006. This improvement in mortality was less pronounced than in 2006, when the number of deaths declined by six percent. Russia saw improvements in nearly all of the major causes of death. Deaths from cardiovascular disease, the major contributor to mortality, declined by 4.1 percent. Deaths due to external causes dropped by 11.9 percent, of which the most dramatic reduction (36.8 percent) was observed in deaths from alcohol poisonings. Suicides declined by 4.3 percent and homicides by 13.4 percent. Deaths from lung diseases fell by 6.9 percent, from gastrointestinal disease by 2.9 percent, and from infectious and parasitic diseases by 5.6 percent. Among the major causes of death, only cancer deaths and road accident deaths increased, by 0.7 percent and 2.2 percent, respectively.

¶5. (U) Almost half of the natural population decline of 477,700 people (i.e., the difference between births and deaths) was offset by a net influx of 239,867 legal immigrants, an 81.3 percent increase over the immigration level recorded in 2006. Nearly all of the immigration was from CIS countries, and the city of Moscow and surrounding Moscow Oblast absorbed over half of all legal immigrants (120,400 people).

¶6. (U) Data on 2007 life expectancies are not yet available and will not be released by the Federal Statistics Service until later in 2008. In 2006, Russia's life expectancy at birth stood at 66.6 years, with a life expectancy of 73.23 years for women and 60.37 years for men (just above the male retirement age of 60 years).

Politicians Crow Over the Results

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¶7. (U) Leading politicians, including President Putin and President-Elect Medvedev, have argued that the positive changes in both births and deaths show that the National Priority Health Project and financial incentives for families that choose to have a second child are reversing Russia's demographic crisis (Refs A, B, C). In mid-February during the run-up to the Presidential election, Putin stated that in 3-4 years Russia could reverse its natural population loss and achieve population stabilization, though he acknowledged that some demographers, including some of the government's own experts, do not believe the population will stabilize for another 10-12 years. Medvedev has pledged to increase the GOR's pro-birth financial incentives during his presidency.

¶8. (SBU) In October 2007, the GOR released a National Demographics Concept, laying out three stages of population planning through 2025, and in February 2008, the GOR released a demographic implementation plan for 2008-2010. The implementation plan is a laundry list of measures aimed at reducing mortality and raising fertility, including reducing deaths from road accidents, socially significant diseases such as HIV/AIDS and tuberculosis, and workplace accidents, and expanding social support programs for families with children, including promoting family values and a healthy lifestyle.

Births May Be Up Now, But Are Set to Fall

¶9. (U) Experts note that the increase in births in 2007 continues a general trend that began in 2000 of increasing births (before 2000, there was a general 12-year trend during which births declined). They note that the substantial, 8.3 percent increase in births in 2007 likely resulted from a number of factors: a large absolute number of reproductive age women (15-49 year olds); some couples who were reluctant to have children in the late 1990s now feel they are more able to afford to raise children; and some families chose to

have children after the GOR announced the "mother's capital" program in 2006, which became effective for births registered after January 1, 2007. The program provides a "virtual" payment of over 250,000 rubles (\$10,549) to families that have a second child once that child reaches three years of age. Families will not receive payments directly in cash, but instead will receive credits to cover health care, education or housing expenses, or to make pension contributions.

¶10. (SBU) The doyen of Russian demographers, Anatoliy Vishnevskiy, head of the Institute of Demography at Moscow's Higher School of Economics, doubts that the GOR's financial incentives to stimulate births will have any long-term impact on fertility. Russian families will not have more children overall, although the GOR might succeed in "accelerating" births (i.e., couples will choose to have children earlier). He believes that the "mother's capital" program has had some effect on births among families living "at the margins" of society, but has not led to a baby boom. For many Russian families, the sum offered by the government is not significant enough to affect reproduction decisions. Vishnevskiy told us he was the guest on a Russian TV show ("The People Want to Know") in March 2008 during which experts and politicians sparred over the significance of the GOR's pro-birth financial incentives. At the conclusion of the program, two thirds of the audience members voted that the "mother's capital" program was not a strong enough incentive to justify having another child.

¶11. (SBU) Vishnevskiy and other demographers also predict that over the next several years, the number of women of reproductive age will decline sharply, inevitably leading to a decrease in births. There are nearly two million fewer 10-14 year old girls than the current number of 15-19 year olds, and the same holds true for 5-9 year old girls and 0-4 year old girls. (An unfortunate legacy of the collapse of the USSR and the uncertainty and instability that followed was that both the absolute number of births and the fertility rate plummeted from 1991 to 1999.) It is unrealistic to expect that Russia could achieve population stabilization any earlier than 2015, in Vishnevskiy's view. Not only will the cohort of reproductive age women fall, but the overall working age population will also decline, placing pressure on women to enter the workforce as the demand for labor and wages rises. The GOR will not be able to offer enough financial incentives to counteract these pressures and has so far shown no interest in adopting additional benefits to stimulate births (e.g., policies allowing women to more easily work and raise children, and tax incentives).

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Experts Mull Whether Mortality Will Continue Improving

¶12. (SBU) Experts disagree over the cause of mortality improvements in the past two years, though most believe that the National Priority Health Project had little impact. Dr. Kirill Danishevskiy, a senior health consultant at the Open Health Institute, believes the GOR's free drug benefit program for pensioners, veterans, and other social welfare beneficiaries, did help reduce the number of overall deaths, despite the program's problems (Ref E). Danishevskiy also believes quality of life improvements since the early 1990s has led to an overall decline in deaths. Danishevskiy and Alexander Nemtsov, the pioneer of Russian alcohol epidemiology research from the Moscow Institute of Psychiatry, believe the recent declines in mortality may also result from the cyclical nature of alcohol-related deaths, which contribute to at least 20 percent of male mortality and 15 percent of female mortality. They note that over the last two years Russia has been in a "trough cycle" in which the ranks of hard core drinkers are being refilled; in a few more years, alcoholics will again begin dying off in larger numbers. However, even Nemtsov acknowledges that alcohol-related mortality has steadily improved since 2004, and if the positive trend continues, Russia could benefit from an indefinite improvement in both alcohol-related and overall mortality.

¶13. (SBU) Vishnevskiy confessed that demographers have yet to find a satisfactory explanation for the recent improvements in mortality,

and the issue needs to be further vetted. Preliminarily, he thought the National Health Project had little impact in reducing deaths. He noted that a number of other factors may have played a role in reducing mortality, including low levels of unemployment, the psychological effect of a better quality of life for the average Russian, healthier generations of Russians now than the generations that lived through and were born immediately after World War Two, and general fluctuations in Russian mortality over the last few decades. Vishnevskiy observed that mortality among working age men had been "abnormally high" over the last decade and had now started declining. He stated that it was not yet clear whether the improving trend in mortality would continue.

¶14. (U) Yevgeniy Gontmakher, Director of the Center for Social Policy of the Russian Academy of Sciences' Institute of Economics, has publicly argued that long-term reductions in mortality and increases in life expectancy through 2020 will not be possible unless the GOR increases spending on health care from the current 3.5 percent of GDP to seven percent of GDP. In his view, Russia's "preventable mortality" (i.e., deaths that could be avoided with improvements in emergency medicine and primary care, and early diagnosis of diseases) is three times higher than in the United Kingdom. He believes that a massive increase in spending well beyond the budget of the National Health Project is necessary to fix Russia's crumbling health care system.

Migration May be a Pandora's Box

¶15. (SBU) A change in Rosstat's counting methods may largely explain the 81.3 percent increase in legal immigration during 2007. The statistics service included long-term migrants (those who change their permanent place of residence) in immigration figures for 2007, whereas in previous years, Rosstat only recorded short-term migrants (temporary workers) in those statistics. (Note: Official figures only record legal immigration. According to one leading demographer, the number of illegal immigrants is at least equal to the number of officially registered immigrants. End Note.) Vishnevskiy has also privately criticized Russian immigration figures as being subject to manipulation from year to year to suit political expediencies. He pointed out that 95 percent of total immigration reported by Rosstat in 2005 was not actually "foreigners" who immigrated to Russia, but rather people who already held Russian passports and decided to return to Russia from the CIS.

¶16. (SBU) While GOR plans call for legal immigration of not less than 200,000 people per year through 2015, and not less than 300,000 people from 2016-2025, to help offset Russia's continuing natural population decline, Vishnevskiy and other demographers believe these plans are unrealistic. In his view, Russia is simply not ready to absorb that many migrants, as the country has no experience or tradition of accepting significant levels of migration. Vishnevskiy

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has warned that high levels of immigration could lead to instability and exacerbate existing social problems, such as xenophobia and ethnic conflict, and the Russian popular psyche is simply not ready to accept immigrants (Ref F).

Comment

¶17. (SBU) For the second year in a row, Russia's overall demographic situation and net population decline have markedly improved, at least in part thanks to rising living standards. While a decline in births seems inevitable over the next few years, the continued positive changes in mortality give some hope of increased life expectancies, especially for Russian men. The government is not likely in the short term to adopt additional financial incentives to stimulate births. It is also unlikely that the GOR would double the spending under the National Health Project, as Gontmakher has advocated. Likewise, both politicians and demographers recognize that heavy alcohol and tobacco use continue to be the two deadly

habits killing off Russian men and contributing to their low life expectancy, but there is little political will to tackle those issues (Refs A, D). However, in a potentially important step forward for smoking regulation, some observers predict that in April 2008 the Duma will finally ratify the WHO Framework Convention on Tobacco Control (Ref G). Russia's demographic crisis will remain a political issue, with the GOR continuing to champion both the "mother's capital" program and the National Health Project.

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